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RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 4260
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 2513
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0796
RUEAIIA/CIA WASHDC IMMEDIATE
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SUBJECT: AMBASSADOR URGING PARTIES TO DEVELOP GAMEPLAN, AND
KING TO ACT QUICKLY

REF: KATHMANDU 1021

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

Summary

11. (S) On April 23, the eighteenth day of the seven-party alliance general strike and demonstrations, the Ambassador contacted the Party leaders to urge them to develop a gameplan for transferring power, should the King publicly accede to their agenda. While the leaders were concerned about the Maoists, they asserted they would be able to regain control of the democracy movement if the King reinstated parliament, declared that sovereignty and state power rested with the people, and expressed condolences about the lives lost during the ongoing pro-democracy movement. The Ambassador also discussed the current situation with the Indian and Chinese Ambassadors, both of whom were concerned that the Maoists were gaining control. In his conversation with Indian Ambassador Shiv Mukherjee, the Ambassador strongly urged the Government of India (GOI) to quietly place senior Maoist leaders in India in detention to prevent them from attempting to block any transfer of power from the King to the Parties. The Ambassador also separately requested Vice-Chairmen Giri and Bista, Chief of Army Staff (COAS) Thapa and Prabhakar Rana convey to King Gyanendra the need to act quickly according to the Parties' conditions. The Vice-Chairman said the King might ask the Ambassador to a meeting the evening of April 23 to discuss USG bottom lines. End Summary.

Parties Waiting For King To Capitulate ...

12. (S) In April 23 morning conversations with Nepali Congress (NC) leaders G.P. Koirala and Ram Sharan Mahat and CPN-UML General Secretary Madhav Kumar Nepal, the Ambassador stressed USG concern that Nepal could come under Maoist control. The Ambassador noted that we had observed the Maoists intimidating the political parties and feared the insurgents were in control. Remarking on the gravity of the situation, the Ambassador urged the Parties to take the lead and resolve the crisis. Dr. Ram Sharan Mahat, speaking for NC President

GP Koirala, and MK Nepal both agreed there was still an opportunity if the King made an announcement acceding to the seven-party alliance's roadmap: restoring Parliament, proclaiming that sovereignty and state power was with the people, and expressing condolences and sympathy to those who had lost their lives in the pro-democracy movement. Both Party leaders expressed a strong desire to see an advance copy of any statement the King might release. According to Indian Ambassador Shiv Mukherjee, Palace confidant Prabhakar Rana had raised the need to accept the Parties' agenda with the King, who had appeared "receptive." Rana had noted that the King was considering sending Palace emissaries to the three main parties to discuss another possible statement by the King.

... While Trying To Handle Maoists, Movement

13. (C) The Party leaders admitted that it would be difficult to get things back under control. Mahat acknowledged that if the situation continued to deteriorate, the Parties could not predict what would happen. He discounted speculation in the press, apparently based on Maoist sources, that the Parties were seriously discussing forming a parallel government with the Maoists. Mahat explained that Koirala had objected to Maoist spokesman Mahara about those reports.

Ambassador Urges India To Arrest Maoists

14. (S) Mukherjee agreed that the fear that the mob and Maoists might prevent the Parties from accepting a transfer of power "was justified." Mukherjee initially suggested that the GOI could keep the Maoists under control by passing

messages to them. The Ambassador pointed out that India was losing leverage as the Maoists approached power. The Ambassador further noted that the Maoists would not need to heed India or the U.S. once they seized power, and that India's real leverage was GOI ability to detain Maoist leaders currently on Indian soil. The Ambassador strongly urged the GOI to quietly take all senior Maoist leaders into custody to prevent them from attempting to block progress in Nepal. Mukherjee said he would pass along the request to his government, although he subsequently noted that the GOI had given the Maoists the message that they had to be brought in as "non-spoilers." He also agreed that the only way out of the current situation was for the King to submit fully to the Parties' demands; he added that the King might do this in a press statement.

China "Very Worried" Maoists are In Control

15. (C) PRC Ambassador Sun Heping told the Ambassador that he was very worried that things were slipping under the control of the Maoists. He noted that the Maoists already appeared to be pretty much dominating the situation. He worried that the political parties "would not dare to get things under control," or would be ineffective in their attempt to do so.

Urging King To Act Quickly

16. (C) The Ambassador also spoke with several contacts to urge the King to move quickly to agree to the political parties' agenda. COAS Pyar Jung Thapa said that the Royal Nepalese Army (RNA) had been asked to support any new government formed and stressed the RNA would do so in every way possible. COAS Thapa reassured the Ambassador that the Ranger Battalion would not be used for crowd control, but had been brought in to Kathmandu out of fear of Maoist attacks in the Valley and to give the soldiers a break from the rural battlefield. Vice-Chairmen Giri and Bista sought the Ambassador's guidance on next steps and assurance that the U.S. and international community would step in to guarantee the future of Nepal's monarchy, which they recognized would

have to be ceremonial. The Ambassador emphasized that the King's only option was to accept the Parties' agenda. He noted that the USG supported a ceremonial monarch that played a unifying role, but that the monarchy would not have any power. He added that the people of Nepal would decide the monarchy's future. Giri and Bista indicated the King might wish to discuss the USG's views with the Ambassador again the evening of April 23.

Comment

17. (C) The Parties want to be able to say "yes" if the King meets their demands, but are aware that the window of opportunity is closing. The more time that passes without the King relinquishing control, the more unstable Nepal's situation becomes.

MORIARTY